

Fw: September 11, 2014 BoS meeting, Item 33
Cytasha Campa to: cr_board_clerk Clerk Recorder

09/05/2014 08:41 AM

Kindest regards,

Cytasha Campa

Board Secretary

Board of Supervisors

San Luis Obispo County

805-781-4335

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/05/2014 08:40 AM -----

From: "Sue Luft" <asluft@wildblue.net>
To: "Bruce Gibson - Supervisor" <bgibson@co.slo.ca.us>, "Debbie Arnold - Supervisor" <darnold@co.slo.ca.us>, "Adam Hill - Supervisor" <ahill@co.slo.ca.us>, "Frank Mecham - Supervisor" <fmecham@co.slo.ca.us>, "Caren Ray - Supervisor" <cray@co.slo.ca.us>
Cc: "Cytasha Campa" <ccampa@co.slo.ca.us>
Date: 09/04/2014 11:09 PM
Subject: September 11, 2014 BoS meeting, Item 33

Please find attached PRO Water Equity's comments on Item 33 – Presentation of options for an ordinance regulating the exportation of groundwater.

Sue Luft

President, PRO Water Equity



PRO Water Equity letter to BoS on export ordinance.pdf

PRO Water Equity, Inc.

Paso Robles Groundwater Basin Overliers for Water Equity

www.prowaterequity.org
info.prowaterequity@gmail.com
www.facebook.com/ProWaterEquity
P.O. Box 255, Templeton, CA 93465

September 4, 2014

Bruce Gibson, Chair, San Luis Obispo County Board of Supervisors
Supervisor Debbie Arnold
Supervisor Adam Hill
Supervisor Frank Mecham
Supervisor Caren Rey

Re: Presentation of options for an ordinance regulating the exportation of groundwater
September 11, 2014, Item 33

Dear Chairperson Gibson and Supervisors,

You are in process of considering an ordinance that would regulate the exportation of groundwater in San Luis Obispo County. PRO Water Equity would like to comment on the following items in your staff's report:

1. We would support the definition of export as "For use outside County or for use outside of the groundwater basin from which it was extracted where that groundwater basin has been certified LOS III under the RMS and/or identified as high or medium priority by DWR", as this definition best protects water supplies in basins that are in trouble, but allows for flexibility in moving water from areas that have adequate supply to troubled areas within the county.
2. We are concerned about the lack of a cap on permitted withdrawals. It would be wise to effect some sort of limit on the amount of extraction a permit would allow, which could be developed as part of the permit findings and conditions process. It could be tied to an amount during the life of the permit, and/or to specified amounts over shorter time periods. Without a cap, unlimited extractions could have localized devastating effects.
3. De minimis export exemptions are a good idea in order to allow flexibility for smaller needs, but if you use the current Urgency Ordinance (which exempted expanded agriculture of 20 acres or less from the ordinance) as an example, it is conceivable that you might see a large number of .99999 acre-ft/yr non-permitted extractions. We would recommend a smaller de minimis amount, such as 0.25 acre-ft/yr (approximately 80,000 gallons).

Mission Statement: To promote the health, safety, common good and general welfare of the community by advocating for the stabilization and sustainability of the Paso Robles groundwater basin for the benefit of all overlayers.

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Presented By: Sue Luft
Rec'd prior to the meeting & posted on: September 8, 2014

4. A permit term of 1 year, with annual consideration and renewal thereafter would allow the process to show impacts before trouble develops. If the permit process is working well with minimal impacts, the county could look at extending the permit term.
5. Allowing the permit to run in perpetuity with the land is inviting market forces to step in and rearrange the equation: permit-bearing land would possibly be considered to be of greater value and could invite people to apply for permits to export where there is no actual intent to utilize the permit, but only to enhance property valuation.
6. Your Board might also consider limitations on movement of groundwater from fractured formations and other groundwater sources that are not defined groundwater basins.

Thank you for the opportunity to provide input.

PRO Water Equity, Inc.

Sue Luft, President
Laurie Gage, Vice President
Sheryl Coats, Secretary
Jan Seals, Treasurer



Fw: Item 33 - groundwater export ordinance

Board of Supervisors to: BOS_Legislative Assistants,
cr_board_clerk Clerk Recorder

09/05/2014 08:45 AM

Sent by: **Cytasha Campa**

----- Forwarded by Cytasha Campa/BOS/COSLO on 09/05/2014 08:45 AM -----

From: "Susan Harvey" <susan@ifsusan.com>
To: <BoardOfSups@co.slo.ca.us>, <fzohns@co.slo.ca.us>
Date: 09/04/2014 07:48 PM
Subject: Item 33 - groundwater export ordinance

Dear Cytasha – Please distribute our attached letter and its attachments to the Supervisors. Thank you.

Regards,
Sue Harvey, President
North County Watch

Susan A. Harvey



Fresno Bee Fresno co farmers to sell water.pdf



Fresno Bee - groundwater-transfer questioned 5-20-14.pdf



NCW BoS item 33 groundwater export 9-9-14.pdf

FresnoBee.com

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Merced County landowners try to sell groundwater

By Ramona Giwargis

Merced Sun-Star May 19, 2014 Updated 13 hours ago

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Two private landowners in eastern Merced County are proposing a \$46 million sale of groundwater to west-side water districts in Stanislaus County — a transfer of nearly 100,000 acre-feet over four years.

The proposal comes as the ongoing drought challenges growers throughout the San Joaquin Valley, and has Merced County farming leaders worried how such groundwater "mining" would affect their ability to irrigate crops. One Merced County supervisor plans today to ask her colleagues to back an emergency ordinance to stop the sale.

The four-year contract being proposed through the U.S. Bureau of Reclamation would allow the landowners to sell the water to the Del Puerto Water District and Patterson Irrigation District.

The private landowners are identified as 4-S Ranch Partners LLC and SHS Family Limited Partnership.

Public records indicate that 4-S is linked to Los Banos developer Steve Sloan, a former 20-year member of the Merced County Planning Commission, and SHS is linked to Turlock Fruit Co. Neither Sloan nor principals in Turlock Fruit Co. could be reached Monday for comment.

If the contract is approved, roughly 100,000 acres of groundwater would be pumped from 13 wells in east Merced County over four years. The wells would be pumped 24 hours a day for eight months to extract an estimated 22,000 gallons of groundwater per minute.

Though it's difficult to place a price tag on the water, similar transfers on the west side of the San Joaquin Valley have fetched \$1,000 per acre-foot. Local growers estimate the water's value to be no less than \$500 per acre-foot, which would earn \$46 million for the landowners over the four-year life of the contract.

The water would be moved either through the San Joaquin River or the East Side Bypass into the Bureau of Reclamation's San Luis Reservoir. From there, the Patterson-based Del Puerto Water District would take it out.

Merced County Farm Bureau executive director Amanda Carvajal said the deal would devastate local farmers already hit hard by a drought year.

"People are alarmed. I think everyone is a little in shock," Carvajal said. "I'm hoping that everyone takes the time to understand the full magnitude of what the impacts might be."

On May 5, the Bureau of Reclamation released a draft environmental assessment and finding of no significant impact, as required by the National Environmental Policy Act.

Carvajal said the reports were incomplete and did not fully address the detrimental impacts to Merced County.

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"When you're pulling water from this higher aquifer, especially in those large quantities, you're pulling from other areas of Merced County," she said. "That's a substantial amount of water and yet this report barely touches on it. This report lacks all data about the groundwater levels."

Another issue with the environmental assessment is that Sloan was one of the reviewers of the report. That could be perceived as a conflict of interest, according to Bob Weimer, a longtime Merced County farmer. "He collected the water samples and provided input," Weimer said. "If you're doing something this major, it should be done by an independent evaluator."

Weimer, who grows sweet potatoes, peaches, almonds and walnuts in Livingston and Atwater, took issue with what he called the report's lack of consideration to Merced County.

"You lose water, you lose jobs — and this study did not evaluate that for Merced County," Weimer said. "There are no real studies on how it impacts the aquifer and how it's going to take away from Merced County. It only talks about the improvement being made in Stanislaus County."

Merced County does not have an ordinance that prohibits exporting groundwater, often referred to as "groundwater mining." Fresno, Madera, Stanislaus and San Joaquin counties all have some form of groundwater regulation.

The potential groundwater sale was brought to the attention of Supervisor Deidre Kelsey late Thursday by the Merced County Farm Bureau. She requested an item be placed on the agenda for today's Board of Supervisors meeting.

If supervisors decide to issue a response, it has to be done before the end of the day — the close of the comment period.

Kelsey said she is a little suspicious about the proposal because the board never was notified about it.

Weimer and other farmers plan to attend today's supervisors meeting to urge the board to take action against the groundwater sale.

"There are too many growers in Merced County that will be impacted and this water sale needs to be stopped," he said. "The growers are the ones that are going to suffer and the economy will suffer. It's totally unacceptable and the Board of Supervisors need to deal with it head-on to make sure this doesn't occur."

The reporter can be reached at (209) 385-2477 or rgiwargis@mercedsunstar.com.

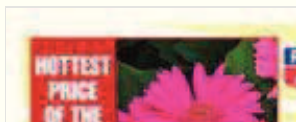
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Merced County groundwater transfer questioned

By Ramona Giwargis

Merced Sun-StarMay 20, 2014

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MERCED — The fight for water pitted farmers from opposite sides of Merced County during an emotional Board of Supervisors meeting Tuesday.

At issue is a contract allowing two Merced County landowners to sell up to 23,000 acre-feet of groundwater to two west-side water districts in Stanislaus County.

Supervisors voted unanimously to send a comment letter to the the U.S. Bureau of Reclamation — the agency proposing the water transfer — outlining "serious questions" about the proposal.

The action doesn't halt the sale, but the federal agency must issue a response to the county's questions before it can move forward.

County officials submitted the letter Tuesday. A response is expected within a few weeks, officials said.

The two landowners, Steve Sloan of 4-S Ranch Partners LLC and Stephen Smith of SHS Family Limited Partnership, were present for the meeting Tuesday. Neither expressed surprise over the board's decision.

"It went about exactly how I thought it was going to go," Sloan said. "I'm disappointed with the rhetoric about the county initiating a groundwater ordinance because we all rely on the free movement of water around the state."

Merced County does not have an ordinance that prohibits sending groundwater out of the county, often referred to as groundwater mining. Fresno, Madera, Stanislaus and San Joaquin counties all have some form of groundwater regulation.

If approved, the contract calls for 13 east-side wells to be pumped for eight months to extract an estimated 22,000 gallons of groundwater per minute. The water would be sold to the Del Puerto Water District and Patterson Irrigation District.

Sloan said the owners would be paid \$500 to \$600 per acre-foot of water, potentially fetching \$46 million over the life of the four-year contract. The contract is two years, but allows an extension for another two years.

Smith said the owners expected to begin pumping the wells on June 1. He said the project includes monitoring related to subsidence and water-quality issues.

Anthea Hansen, general manager of the Del Puerto Water District, said farmers on the west side of Merced County are struggling to keep their crops alive. "I don't have time to wait for policy direction. We need this water to be moving in the summer months to keep the trees alive."

But dozens of farmers from other parts of Merced County urged the supervisors to consider the impacts to their operations, especially during one of the driest years on record.

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"I really feel for you, but we've got big problems in our area, too," said El Nido farmer Anthony Roggero. "We may go dry, too."

See more at www.mercedsunstar.com.

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Board of Supervisors
County of San Luis Obispo
San Luis Obispo, CA 93406
Via Email boardofsups@co.slo.ca.us
fzohns@co.slo.ca.us

September 4, 2014

RE: Item 33 – Groundwater export ordinance

Dear Chairman Gibson and Supervisors,

While the potential for exportation of significant groundwater out of some basins in the county may seem remote, that potential exists and could be a threat to the sustainability of any basin in the county that is not under court supervision or protected by an ordinance governing water transfers and exportation.

Please find attached to the transmittal email 2 articles from the Fresno Bee re: the private sale and transfer of groundwater, valued at \$46 million, by 2 ranchers out of their groundwater basin. The transfer is to occur through the Mendota canal. The county Board of Supervisors were unable to stop the sale because they have no ordinance regulating/prohibiting the export of groundwater. \$46 million is quite an incentive to find a way to move water. There is potential for easements on private property and temporary pipelines above ground to accommodate the transfer of water.

The Limoneira¹ Company, owners of Windfall Farms near Creston, is already contemplating water exportation from the Paso Robles basin. The company has contacted several private

¹ Limoneira Water Strategy <http://limoneira.com/energy-waste-and-water/limoneira-water-strategy/>

"Local water transfers. Water transfers and exchanges can create a free market short, interim and long-term return on the redistribution of water. Limoneira has the good fortune of possessing access to a variety of surface water and groundwater supplies that can be traded for compensation in those years where the water is not required for Limoneira's operations. The company's opportunity for success in carrying out water transfers will be enhanced by conditions of increased scarcity. Moreover, our ability to transfer water is inherently more feasible than in other parts of California because they would be local and, in many cases, conducted consistent with over-arching regulatory plans.

"Water infrastructure agreements. It's one thing to have access to water rights. It's another thing to get the water from where it originates to where it is needed. Limoneira enjoys rights to water related infrastructure that will allow it to integrate its water supplies and to move water from its point of origin to its highest value use."

Page 1 of 2

landowners and made a presentation at the Creston Advisory Board soliciting other landowners to participate in forming a private water entity for the purpose of selling groundwater within and outside the basin.

An ordinance that regulates the exportation of groundwater is a wise move for the county and such an ordinance on the books will protect our groundwater basins from outside exploitation. The county won't be caught unprepared as Merced County was.

North County Watch is a 501 3c non-profit Public Benefit corporation. We are an all-volunteer organization committed to sustainable development in and around north San Luis Obispo County.

Sincerely,

A handwritten signature in black ink, appearing to read 'SH', is written over a light yellow rectangular background.

Susan Harvey, President